

CPYRGHT

CIA Gives Students Title to Building

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The Central Intelligence Agency and the U.S. National Student Association have resolved their six-month-long dispute over the future of a CIA-owned Washington building used by NSA as its national headquarters.

The settlement was reached at a secret meeting between top officials of both organizations held last Friday at the CIA's headquarters in Langley, Va.

It was agreed that NSA would take titles to the building

The agreement marks the last step in the break between the CIA and NSA, which is February magazine disclosure that it had received extensive covert financial support from the CIA from 1952 through 1966.

That disclosure led to the exposure of the CIA as the secret financial supporter of dozens of other student, youth, labor, religious and other private domestic organizations.

Although NSA severed most of its ties to the CIA in 1966, it has

continued to operate from a three-story brownstone building at 2115 S St. NW purchased two years ago by the CIA.

Following the February disclosure, both organizations were anxious to end the arrangement. Despite continuing negotiations since that time, they were deadlocked over the means of a settlement.

The CIA wanted NSA to vacate the building, and at one point threatened to bankrupt the "dummy" foundation which held title to the property, thus clearing the way for a possible foreclosure of the mortgage.

NSA wanted the CIA to break the lease and turn the building over to the student organization, which would then pick up the mortgage payments. In response to the threat of a mortgage foreclosure, NSA threatened a court suit which would lead to exposure of CIA financial arrangements.

Negotiations with middle-level officials of the intelligence agency were stalemated until CIA Director Richard Helms agreed last week to enter the talks for the first time.

Also present at the meeting were Cord Meyer Jr., in charge of the CIA program which covertly supplied millions of dollars to private organizations since the early 1950s, and Robert Kiley, who headed the covert program involving student and youth groups.

Representing NSA were W. Eugene Groves, its president; Richard G. Stearns, its vice president for international affairs; a member of its National Supervisory Board and Washington attorney Joseph L. Rauh Jr.

Agree to Break Pact

Helms was understood to have agreed to enter the negotiations at Rauh's request. Under terms of the settlement, an "ironclad" occupancy agreement, originally written so that neither party could cancel it, will be broken by mutual agreement.

The two organizations will formally release each other from any claims or liens stemming from the initial occupancy agreement and NSA will take title to the building, subject to the mortgage, now held by the First National Bank of Washing-

The building was purchased by the CIA for \$110,000, but currently is valued at \$125,000 to \$150,000. To disguise the identity of the real owner, the CIA placed the building title in the name of the Independence Foundation of Boston, one of several dozen such "dummy" foundations used by the intelligence agency to funnel funds to private groups.

The building originally carried a \$70,000 mortgage, \$5,000 of which has been paid off by the CIA. Last week's agreement means that NSA, after taking title to the building, will assume responsibility for repaying the remaining \$65,000 of the mortgage.

300 Student Groups

NSA, which represents more than 300 student governments at colleges and universities throughout the country, has an annual budget of more than \$400,000. Payments on the building, including insurance and taxes, are estimated at \$9,000 annually.

NSA's current income comes from member dues, receipts from Educational Travel, Inc., a subsidiary travel organization, and from grants awarded by government agencies and private foundations.

During the just-concluded 1966-67 fiscal year, NSA received \$23,000 from CIA sources and \$10,000 which may have originated at the intelligence agency. NSA officers have said those funds are the last they will accept from the CIA.

Balances Forgiven

Several of the CIA's "dummy" foundations have been seeking repayment by NSA of outstanding balances from grants awarded in previous years, but under terms of the new agreement those payments will be forgiven.

Both sides were understood to be anxious for a quick settlement. CIA operations have suffered considerable damage as a result of the NSA disclosures.

NSA officials have been subject to criticism for publicly attacking the CIA but remaining in the building while the CIA paid the rent.

The settlement came as NSA planned to open its annual convention, the 26th National Student Congress, which begins Sunday and is expected to draw more than 1,500 student leaders from throughout the country to the University of Maryland in College Park.

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